

## **Memorandum**

Date: 15 October 2018  
To: Budget and Finance Committee  
From: Keith R. Dalton, Town Manager  
Cc: Desi Moreland, Assistant Town Manager  
Heather Halterman, Finance Clerk  
Subject: 18 October 2018 Committee Meeting

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Meeting: Budget and Finance Committee  
Date: 18 October 2018  
Time: 10:30 am  
Meeting Room: C

### **Item 3. On-line Payments**

A breakdown of transactions by payment type for August of this year is attached.

The Finance Clerk has also been working to better address the matter of credit card transactions at the Town's Business Office. These efforts will be explained at the meeting.

### **Item 4. Budget Goal – Payroll System Audit**

The budget goal report is attached.

### **Item 5. Budget Goal – Fixed Assets Inventory**

The budget goal report is attached.

### **Item 6. Check Distribution Policy**

A draft Check Distribution Policy, Check Release Authorization, and Statement of Receipt are attached.

### **Other**

Please find attached a listing of properties that will be sold at auction for delinquent real estate taxes.

**BERRYVILLE TOWN COUNCIL BUDGET AND FINANCE COMMITTEE**  
**MEETING AGENDA**  
**Berryville-Clarke County Government Center**  
**101 Chalmers Court, Second Floor**  
**Meeting Room C**  
**Called Meeting**  
**October 18, 2018**  
**10:30 a.m.**

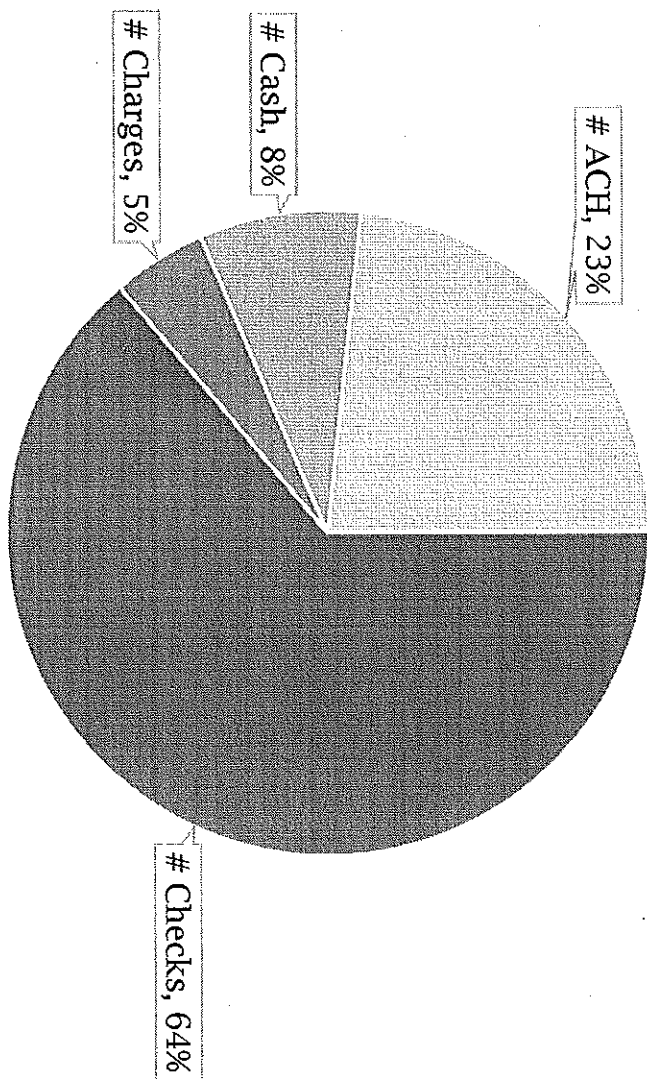
<u>Item</u>		<u>Attachment</u>
1. Call To Order	Erecka Gibson, Chair	
2. Approval of Agenda		
3. Discussion	On-line payment options	1
4. Discussion	Budget Goal: Payroll System Audit	2
5. Discussion	Budget Goal: Fixed Assets Inventory	3
6. Discussion	Check Distribution Policy	4
7. Closed Session	No Closed Session Scheduled	
8. Other		
9. Adjourn		

↑ Denotes an item on where a motion for action is included in the packet

# ATTACHMENT

## 1

## August 2018 Total Transactions by Payment Type



Transaction Type	# Checks	# Charges	# Cash	# ACH
Grand Total	1169	87	150	426

# **ATTACHMENT**

## **2**



## **Town of Berryville**

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# **Budget Goals 2020 Project Statement for Payroll Internal Controls Audit**

Prepared by:

D. Moreland, Assistant Town Manager/Treasurer

Version:

1

Date:

10/12/2018

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Department/Agency:	Town of Berryville
Issue Date:	10-12-2018
Project Name:	Payroll Internal Controls Audit
Project Sponsor:	Budget & Finance Committee
Project Contact:	D. Moreland
Contact Email:	treasurer@berryvilleva.gov

## SCOPE STATEMENT PURPOSE

Review and assess the Town's payroll processes. Provide process and control documentation and mapping. Define any significant risks and assess how they are managed. Assess the controls in place and identify any significant failings or weaknesses.

Consider whether the findings indicate a need for more extensive monitoring of the system of internal controls. Provide examples of best practices to remediate deficiencies.

## Project Background

The Budget and Finance Committee has requested a qualified certified public accounting firm document its internal controls as they relate to the payroll processing and reporting roles.

## Project Description and Objectives

This would be the Town's first request for a third-party internal controls audit of the payroll processing and reporting functions. It is important to verify that the transactions that post through the Town's payroll system are accurate to protect against losses associated with calculation errors and potential fraud. This audit should:

- Verify employment status
- Confirm pay rates
- Calculate hours worked
- Validate ledger accounts
- Reconcile bank statements
- Map separation of duties
- Verify change authorizations
- Check payment controls



## Timetable/Schedule

Description	Deadlines/Timeframes	Responsibility
Development of RFQ	12/1/19-12/31/20	Internal
Approval of RFQ by TC	1/8/2020	Internal
Issuance of RFQ	1/15/2020	Internal
Proposals Due	2/18/2020	External/Internal
Award by TC	3/12/2020	Internal/External
Meetings between Town and consultant	4/1/20-4/15/20	Internal/External
Draft deliverables submitted to Town	6/17/2020	External
Comments on drafts submitted to consultant	7/5/2020	Internal
Deliverables due	7/15/2020	External
Presentation to TC	8/13/2020	External/Internal
Adoption of implementation plan by TC	10/8/2020	Internal

## Cost Proposal

### Internal Costs

Task Description	Units	Cost per Unit (\$)	Task Cost	Funding Source
Develop RFQ				Gen Fund
Clerk	12	30	360	
Senior Staff	8	65	520	
Administer RFQ				Gen Fund
Clerk	16	30	480	
Senior Staff	4	65	260	
Review RFQ Submissions				Gen Fund
Clerk	4	30	120	
Senior Staff	16	65	1,040	
Interviews				Gen Fund
Clerk	4	30	120	
Senior Staff	24	65	1,560	
Meetings with Asst. Consultant				Gen Fund
Clerk	40	30	1,200	
Senior Staff	8	65	520	
Review Draft				Gen Fund
Clerk	12	30	360	
Senior Staff	12	65	780	
Review Final and prepare for TC				Gen Fund
Clerk	20	30	600	

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Senior Staff	20	65	1,300	
Miscellaneous				Gen Fund
Clerk	16	30	480	
Senior Staff	16	65	1,040	
Total			10,740	

**External Costs****External Costs**

Product	Cost	Funding Source
Qualified CPA Internal Controls Audit	\$ 10,000.00	General Fund Expenses

**Recurring Costs**

Recurring costs should not be significant. Any findings will be made available to the firm performing the Town's annual audit for compliance verification.

**Additional Vendor Qualifications**

The vendor must be a qualified certified public accounting firm licensed to do business in the State of Virginia.

**Project Cost Benefit Analysis**

The estimated project cost is \$20,740.00, of which \$10,000.00 would be the cost of the audit and the remainder earmarked to staff compensation.

As a result, we would review the payroll processing and reporting functions and identify errors that, if allowed to continue unchecked, could result in penalties from regulatory entities such as the IRS.

**Administrative Items**

N/A

End of Scope Statement

# **ATTACHMENT**

## **3**



## **Town of Berryville**

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### **Budget Goals 2020 Project Statement for Fixed Asset Inventory**

Prepared by:

D. Moreland, Assistant Town Manager/Treasurer

Version:

1

Date:

10/12/2018

## Table of Contents

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Department/Agency:	Finance & Administration
Issue Date:	10/12/2018
Project Name:	Fixed Asset Inventory
Project Sponsor:	Budget & Finance
Project Contact:	D. Moreland
Contact Email:	treasurer@berryvilleva.gov

## SCOPE STATEMENT PURPOSE

Complete a fixed assets inventory for areas not addressed in the water and sewer study (to be completed in FY19).

The Town Council has the authority and responsibility for the custody of the Town's fixed assets. The Council has delegated control over the Town's fixed assets to the Town Manager, who in turn has designated responsibility for physical custody of assets to Department Heads and/or other staff. This project will provide oversight of the town's asset management function, ensuring the recording of the town's tangible personal property and asset tag numbers is completed.

## **Project Background**

The Budget and Finance Committee would like to establish a fixed asset inventory. Each asset would be given a unique asset tag number. The asset tag number would be used to track and account for each asset until disposal. The asset tag number would record all the available asset information such as item description, physical location, serial number, purchase cost, and vendor and manufacturer.

## **Project Description and Objectives**

The fixed asset schedule currently maintained by Robinson Farmer Cox Associates (RFC) will be reviewed and updated by staff. Once the schedule is updated, the assets will be entered into the FMS Fixed Asset software. Once the assets are recorded, each will be affixed with a unique asset tag number (barcoded aluminum tag). All new acquisitions will be recorded and tagged. The barcode number will then be entered into the Fixed Asset software. The overall goal is to ensure a complete and accurate accounting for fixed assets to guarantee they are adequately safeguarded and inventoried. Once the fixed assets are catalogued and tagged, the Town will develop a Fixed Asset Policy. The policy would incorporate best practices as well as establish frequency of inventories.

- Review and update the current Fixed Asset schedule as provide by RFC
- Enter updated assets into FMS software
- Tag existing assets
- Record and tag new assets as purchased
- Develop a Fixed Asset Policy

## Timetable/Schedule

Task Description	Completion Time	Start Date	Completion Date	Responsibility
Review and update fixed asset schedule provided by RFC	30 days	8/1/2019	8/31/2019	Internal
Tag recorded assets	30 days	9/1/2019	10/1/2019	Internal
Input asset data into FMS	60 days	10/1/2019	12/1/2019	Internal
Review data	15 days	12/1/2019	12/15/2019	Internal
Develop Fixed Asset Policy	10 days	12/15/2019	12/31/2019	Internal

## Cost Proposal

### Internal Cost

Task Description	Units	Cost per Unit (\$)	Task Cost	Funding Source
Review and update fixed asset schedule provided by RFC				Gen Fund
Clerk	20	30	600	
Senior Staff	20	65	1,300	
Tag recorded assets				Gen Fund
Clerk	40	30	1,200	
Senior Staff	40	65	2,600	
Input asset data into FMS				Gen Fund
Clerk	40	30	1,200	
Senior Staff	40	65	2,600	
Review data				Gen Fund
Clerk	16	30	480	
Senior Staff	16	65	1,040	
Develop Fixed Asset Policy				Gen Fund
Clerk	8	30	240	
Senior Staff	24	65	1,560	
Total			12,820	



**External Costs**

Product	Quantity	Cost	Funding Source
Matte AlumiGuard Metal Asset Tags	2500	\$2,500.00	Gen Fund

**Recurring Costs**

Recurring costs are expected to be minimal. Each new asset will be recorded and barcoded with a unique asset tag number when received and deleted at disposal.

**Additional Vendor Qualifications**

N/A

**Project Cost Benefit Analysis**

The estimated project cost is \$15,320.00 and would allow the Town several potential opportunities for improvement.

- Establish a Fixed Asset Policy
- Provide an asset inventory
- Document assets and their condition; noting net book value
- Optimize re-use of surplus items
- Provide data essential to the proper costing of services
- Provide data needed for maintenance of fixed assets
- Track retirement and disposal of fixed assets

Risks: N/A

**Administrative Items**

N/A

End of Scope Statement

# **ATTACHMENT**

## **4**

## **Check Distribution Policy**

**Effective Date:**

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### **Check Distribution Policy**

A Town of Berryville Accounts Payable check may not be mailed or otherwise given to any person other than the payee or the Town Finance Clerk or Town Treasurer acting within the recognized scope of assigned responsibilities, unless specific instructions in writing were received from the payee. Any person other than the payee, who receives a check must sign a receipt for it.

Completely processed signed checks awaiting distribution must be kept in a locked storage place accessible only to Town Finance Clerk and the Town Treasurer.

## CHECK RELEASE AUTHORIZATION

By my signature below, I give The Town of Berryville permission to release checks made payable to

\_\_\_\_\_ to the  
person(s) listed below. Valid ID must be presented at time of check release.

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## STATEMENT OF RECEIPT

Paid to: \_\_\_\_\_

\_\_\_\_\_

Amount: \_\_\_\_\_

Check Number: \_\_\_\_\_

Check Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Recipient

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Recipient

# **ATTACHMENT OTHER**

**FOR SALE AT AUCTION  
PUBLIC SALE OF TAX DELINQUENT TOWN OF BERRYVILLE REAL ESTATE  
AND COUNTY OF CLARKE REAL ESTATE  
TO BE SOLD...AT AUCTION!**

*Friday, November 2, 2018 at 2:00 P.M.*

**Main Meeting Room, 101 Chalmers Court, 2nd Floor, Berryville, VA 22611**

**NOTICE: SPECIAL COMMISSIONER'S SALE OF REAL ESTATE**

Pursuant to the terms of those certain Decrees of Sale from the Circuit Court of Clarke County, Virginia, the undersigned Special Commissioner will offer for sale at public auction in the Main Meeting Room, Berryville, Virginia, on Friday, November 2, 2018 at 2:00 P.M., subject to the following terms and conditions, the following-described real estate:

**TOWN OF BERRYVILLE**

- Parcel 1 (Harris-Proctor) Unimproved Lot on Liberty Street, 112 Liberty Street; Tax Map 14A2-A-99
- Parcel 2 (Moten) Unimproved Lot on Josephine Street, 17 Josephine Street; Tax Map 14A5-8-B-14A
- Parcel 3 (Reavis) 0.5 acre, more or less, Improved, 114 Josephine Street; Tax Map 14A5-8-A-10

**CLARKE COUNTY – SHENANDOAH RETREAT LOTS**

- Parcel 1 (Robey) Lot 18, Block 2, Unit 1, Shenandoah Retreat, on Alder; Tax Map 17A212-18
- Parcel 2 (Reed) Lot 30, Block 2, Unit 1, Shenandoah Retreat, on Alder Lane; Tax Map 17A212-30
- Parcel 3 (Murphy) Lot 80, Block 2, Unit 1, Shenandoah Retreat, on Alder Lane; Tax Map 17A212-80
- Parcel 4 (Wright) Lot 20, Block 2M, Shenandoah Retreat, on Balsam Lane; Tax Map 17A4292M-20
- Parcel 5 (Nichols) Lot 11, Block 2S, Shenandoah Retreat, on Beechwood Lane; Tax Map 17A4262S-11
- Parcel 6 (Nutwell) Lot 38, Block 2S, Shenandoah Retreat, on Beechwood Lane; Tax Map 17A3262S-38
- Parcel 7 (Martin) Lot 10, Block 7, Unit 1, Shenandoah Retreat, on Evergreen Lane; Tax Map 17A211-10
- Parcel 8 (Mullenix) Lot 6, Block 2J, Shenandoah Retreat, on Hackberry Lane; Tax Map 17A2232J-6
- Parcel 9 (Beals) Lot 11, Block 2J, Shenandoah Retreat, on Hackberry Lane; Tax Map 17A2232J-11
- Parcel 10 (Cooper) Lot 34, Block 2J, Shenandoah Retreat, on Hackberry Lane; Tax Map 17A2232J-34
- Parcel 11 (Teifer) Lot 35, Block 2I, Shenandoah Retreat, on Hackberry Lane; Tax Map 17A2232I-35
- Parcel 12 (Teifer) Lot 36, Block 2I, Shenandoah Retreat, on Hackberry Lane; Tax Map 17A2232I-36
- Parcel 13 (Reed) Lot 138, Block 2H, Unit 2, Shenandoah Retreat, on Hemlock Lane; Tax Map 17A222-138
- Parcel 14 (Martin) Lot 156, Block 2H, Unit 2, Shenandoah Retreat, on Hemlock Lane; Tax Map 17A222-156
- Parcel 15 (Cook) Lot 9, Block 2P, Shenandoah Retreat, on Holly Lane; Tax Map 17A3272P-9
- Parcel 16 (Alfonsson) Lot 26, Block 2O, Shenandoah Retreat, on Holly Lane; Tax Map 17A3282O-26
- Parcel 17 (Guerin) Lot 86, Block 4, Unit 1, Shenandoah Retreat, on Honeysuckle Lane; Tax Map 17A210-86
- Parcel 18 (Guerin) Lot 87, Block 4, Unit 1, Shenandoah Retreat, on Honeysuckle Lane; Tax Map 17A210-87

Parcel 19 (Tomblin) Lot 7, Block 2E, Unit 1, Shenandoah Retreat, on Maple Lane; Tax Map 17A219-07

Parcel 20 (Anderson) Lot 15, Block 3, Unit 1, Shenandoah Retreat, on Parker Lane; Tax Map 17A1-1-15

Parcel 21 (Anderson) Lot 16, Block 3, Unit 1, Shenandoah Retreat, on Parker Lane; Tax Map 17A1-1-16

Parcel 22 (Nesmith) Lot 19, Block 3, Unit 1, Shenandoah Retreat, on Parker Lane; Tax Map 17A1-1-19

Parcel 23 (Nesmith) Lot 20, Block 1, Unit 1, Shenandoah Retreat, on Parker Lane; Tax Map 17A1-1-20

Parcel 24 (Makin) Lot 36, Block 1C, Unit 1, Shenandoah Retreat, on Pine Crest Lane; Tax Map 17A1-3-36

Parcel 25 (Makin) Lot 37, Block 1C, Unit 1, Shenandoah Retreat, on Pine Crest Lane; Tax Map 17A1-3-37

Parcel 26 (Makin) Lot 38, Block 1C, Unit 1, Shenandoah Retreat, on Pine Crest Lane; Tax Map 17A1-3-38

Parcel 27 (Bowles) Lot 9, Block 3, Unit 1, Shenandoah Retreat, on Parker Lane; Tax Map 17A1-1-9

Parcel 28 (Bowles) Lot 10, Block 3, Unit 1, Shenandoah Retreat, on Parker Lane; Tax Map 17A1-1-10

Parcel 29 (Chandler) Lot 12, Block 2Q, Shenandoah Retreat, on Redbud Lane; Tax Map 17A3272Q-12

Parcel 30 (Chandler) Lot 13, Block 2Q, Shenandoah Retreat, on Redbud Lane; Tax Map 17A3272Q-13

Parcel 31 (Solter) Lot 28, Block 2Q, Shenandoah Retreat, on Redbud Lane; Tax Map 17A4272Q-28

Parcel 32 (Lewis) Lot 27, Block 6, Unit 1, Shenandoah Retreat, on Retreat Road; Tax Map 17A216-27

Parcel 33 (Connor) Lot 43, Block 1, Unit 1, Shenandoah Retreat, on Timber Lane; Tax Map 17A1-5-43

Parcel 34 (Connor) Lot 44, Block 1, Unit 1, Shenandoah Retreat, on Timber Lane; Tax Map 17A1-5-44

Parcel 35 (Brooks) Lot 99, Block 1A, Unit 1, Shenandoah Retreat, on Timber Lane; Tax Map 17A1-2-99

Parcel 36 (Green) Lot 157, Block 1A Extended, Unit 1, Shenandoah Retreat, on Timber Lane, Tax Map 17A1-2-157

**CLARKE COUNTY – OTHER PROPERTIES**

Parcel 1 (Ellett) Lot on south side of Goat Hill Lane; Tax Map 14B-A-15

Parcel 2 (Hensler) Lot 24, Sec. B, Shenandoah Farms, Improved, 6358 Howellsville Road; Tax Map 37A1-2-24

**TERMS OF SALE:** All sales are subject to the approval of the Circuit Court. A 10% Buyer's Premium will be added to the highest bid and will become a part of the total sales price on each property. The highest bidder shall deposit ten percent (10%) of the total sales price, by either cash or good check, which sum shall be credited toward the purchase at closing. The balance of the purchase price, in cash or certified funds, shall be deposited with Margaret F. Hardy, Special Commissioner, within fifteen (15) days of Court confirmation. **TIME IS OF THE ESSENCE.** All properties will be conveyed by Special Warranty Deed, subject to any easements and covenants of record, and any rights of persons in possession. Interested parties may go upon the UNIMPROVED real estate for the purpose of making an inspection.

Announcements made the day of sale take precedence over any prior written or verbal terms of sale.

Margaret F. Hardy, Special Commissioner  
Sands Anderson PC  
Post Office Box 907  
Fredericksburg, VA 22404-0907  
[www.sandsanderson.com](http://www.sandsanderson.com)